

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1937-02
Bill No.: HCS for HB 882
Subject: Agriculture and Animals; Agriculture Department
Type: Original
Date: March 18, 2015

Bill Summary: This proposal establishes the Agri-Ready County Designation Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$295,375)	(\$164,894)	(\$167,807)
Total Estimated Net Effect on General Revenue	(\$295,375)	(\$164,894)	(\$167,807)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** prepared the fiscal note for the original bill without agency responses, and reflected an Unknown cost to the General Revenue Fund for this program. Oversight has since received responses from the impacted agencies and has incorporated their estimates into this fiscal note.

§ 261.320 - Agri-Ready County Designation Program:

Officials from the **Department of Agriculture (AGR)** assume this proposal will require AGR to develop an application and review procedures for the Agri-Ready County Designation program.

AGR would need to verify requirements of the program for each county in the initial application and annually thereafter.

AGR assumes this proposal will require AGR to work with counties on the application process and develop a logo, signs, website, and on-line forms for the Agri-Ready County Designation program.

AGR assumes the following estimated costs to implement and coordinate this program.

One Agriculture Manager Band 2 with an annual salary of (\$50,000)

Signs (approximately 5 per county) - (\$15,000)

Logo Development and Messaging - (\$5,000)

In-State Travel - (\$10,000)

Supplies - (\$10,000)

Professional Development - (\$5,000)

Communication Services - (\$1,810)

Office Equipment - (\$6,124)

AGR estimates ITSD costs of (\$186,907) in FY16 to implement the program. Ongoing ITSD costs would be (\$40,151) in FY16 and (\$41,097) in FY17.

ASSUMPTION (continued)

Officials from the **Department of Natural Resources (DNR)** assume when a loss of agri-ready designation occurs during a grant period, the proposal appears to result in grantees previously eligible under the designation to be responsible for repayment of grant funding received while the designation was in effect. The potential exists then for entities, including small businesses such as family farms, not directly responsible for actions that might result in loss of designation to be required to repay grant funding being used as agreed to in their grant agreements.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Natural Resources, Department of Economic Development, Department of Health and Senior Services, University of Missouri, Boone County Department of Public Health, and the City of Independence Health Department** each assume the proposal would not fiscally impact their respective agencies.

In response to the previous version of this proposal, officials from the **Department of Transportation, City of Kansas City, and the Harrison County Public Health Department** each assumed the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Costs - AGR</u>			
§ 261.320 - Agri-Ready County Designation Program			
ITSD programming expense	(\$186,907)	(\$40,151)	(\$41,097)
Personal Service	(\$41,667)	(\$50,500)	(\$51,005)
Fringe Benefits	(\$21,669)	(\$26,263)	(\$26,525)
Expense and Equipment	<u>(\$45,132)</u>	<u>(\$47,980)</u>	<u>(\$49,180)</u>
<u>Total Costs - AGR</u>	<u>(\$295,375)</u>	<u>(\$164,894)</u>	<u>(\$167,807)</u>
FTE Change - AGR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$295,375)</u>	<u>(\$164,894)</u>	<u>(\$167,807)</u>
Estimated Net FTE Change for the General Revenue Fund	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

§ 261.320 - Agri-Ready County Designation Program:

Small businesses in counties where an Agri-Ready County Designation is obtained may experience a positive economic impact from this proposal.

FISCAL DESCRIPTION

§ 261.320 - Agri-Ready County Designation Program:

This proposal creates the "Agri-Ready County Designation Program" within the Department of Agriculture. The program is a voluntary program by which a county or the City of St. Louis may apply to become designated as an Agri-Ready county.

To qualify as an agri-ready county, the county must meet certain requirements that show the county encourages agricultural operations to locate in the county. By March 31, 2016, the Department of Agriculture (AGR) must establish application requirements and review procedures for the program. Any county that receives an agri-ready designation must submit a report annually to the department. The report may not be longer than one page and AGR must allow on-line submission of the report. If AGR determines a county no longer meets the requirements of the program, it may withdraw the designation.

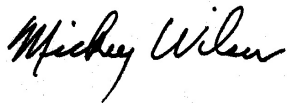
AGR must develop an Agri-Ready County logo and any county designated as an agri-ready county may use the logo on any sign, brochure, website, or other marketing material. Any agri-ready county may request the Department of Transportation erect and maintain signs designating it as agri-ready, with the cost to be paid for by the county. AGR must publish and maintain a list of agri-ready counties on its website.

In evaluating any grant proposal based on a point system, the Departments of Agriculture, Natural Resources, and Economic Development must increase the total number of points awarded by 5% to any agri-ready county, any political subdivision within an agri-ready county, or any agricultural operation located within or proposing to locate within an agri-ready county. If an agri-ready county loses its designation at any point during the grant period, the county is responsible for repaying any grant funding received.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Natural Resources
Department of Economic Development
Department of Health and Senior Services
Department of Transportation
Office of Secretary of State
University of Missouri
City of Kansas City
City of Independence Health Department
Boone County Department of Public Health
Harrison County Public Health Department



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March 18, 2015

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March 18, 2015